

118TH CONGRESS
1ST SESSION

S. _____

To establish a matched savings program for low-income students.

IN THE SENATE OF THE UNITED STATES

Ms. SINEMA (for herself and Mr. ROMNEY) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To establish a matched savings program for low-income students.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Earn to Learn Act”.

5 **SEC. 2. FINDINGS.**

6 Congress finds the following:

7 (1) Skyrocketing costs of higher education are
8 outpacing available financial aid. Individuals in the
9 United States owe more than \$1,700,000,000,000 in
10 student loan debt, and more than 3,000 student loan
11 borrowers default on a student loan every day, many

1 of whom did not complete their educational program
2 before obtaining a degree.

3 (2) The cost of paying for public higher edu-
4 cation and workforce training programs continues to
5 rise while the purchasing power of Federal Pell
6 Grant aid has significantly diminished.

7 (3) The confluence of these issues forces pro-
8 spective students to make the tough choice between
9 foregoing postsecondary education and borrowing
10 enough money to pay for it, an amount that is often
11 many times their annual salary and can remain a fi-
12 nancial burden for decades after these students
13 graduate.

14 (4) The higher rates of loan delinquencies and
15 default among low- and moderate-income popu-
16 lations often lead to increased financial hardship,
17 fewer assets, and lower net worth.

18 (5) In 2013, the Brookings Institute found that
19 the increasing debt burden represents a drag on re-
20 cent graduates and also serves as a deterrent to
21 would-be students who may question the trade-off
22 between the debt burden and the payoff of a college
23 degree.

24 (6) During the 2015–2016 academic year, the
25 Department of Education found that nearly 3 in 4

1 students experienced unmet need, and that unmet
2 need among postsecondary students had risen by 23
3 percent since the 2011–2012 academic year.

4 (7) The Federal Reserve System has deter-
5 mined student loan payments are displacing retire-
6 ment savings, home ownership, small business devel-
7 opment, and other forms of building wealth.

8 (8) The Report on the Economic Well-Being of
9 United States Households in 2018 by the Federal
10 Reserve found that 2 in 3 graduates with a bach-
11 elor’s degree or higher feel that their educational in-
12 vestment paid off financially, but only 3 in 10 stu-
13 dents who started higher education programs but
14 did not complete a degree share this view.

15 (9) The United States urgently needs a new, in-
16 novative approach to financial aid to help low-income
17 students achieve their educational goals, graduate
18 with affordable amounts of student loan debt, and
19 improve their financial capability.

20 **SEC. 3. PURPOSE.**

21 It is the purpose of this Act to—

22 (1) establish a proven and innovative matched
23 savings program for low-income students that pro-
24 vides the financial resources and support those stu-
25 dents need to attain their educational goals;

1 (2) provide a much-needed supplement to tradi-
2 tional financial aid options through matched savings;

3 (3) give students the tools to succeed by giving
4 students the opportunity to invest in their education
5 and to improve their financial capability through fi-
6 nancial empowerment training and success coaching;
7 and

8 (4) help students—

9 (A) develop healthy financial habits and
10 life skills;

11 (B) prepare to embark on a lifetime of
12 healthy financial practices after graduation; and

13 (C) minimize or eliminate student loan
14 debt.

15 **SEC. 4. DEFINITIONS.**

16 In this Act:

17 (1) 529 ACCOUNT.—The term “529 account”
18 means a qualified tuition program as defined in sec-
19 tion 529(b) of the Internal Revenue Code of 1986.

20 (2) ELIGIBLE EDUCATIONAL INSTITUTION.—
21 The term “eligible educational institution” means—

22 (A) an institution of higher education, as
23 defined in section 102 of the Higher Education
24 Act of 1965 (20 U.S.C. 1002); or

1 (B) an area career and technical education
2 school, as defined in section 3(3) of the Carl D.
3 Perkins Career and Technical Education Act of
4 2006 (20 U.S.C. 2302(3)).

5 (3) ELIGIBLE ENTITY.—The term “eligible enti-
6 ty” means a State or a nonprofit organization.

7 (4) ELIGIBLE STUDENT.—The term “eligible
8 student” means an individual who—

9 (A) is selected to participate in a postsec-
10 ondary education match savings account pro-
11 gram;

12 (B) has been admitted to an eligible edu-
13 cational institution;

14 (C) is a student from a low-income family,
15 as determined by the eligible entity;

16 (D) successfully completes a required pre-
17 requisite personal finance training program;

18 (E) agrees to contribute savings to the
19 postsecondary education match savings account
20 administered by the eligible entity under this
21 section; and

22 (F) meets any other eligibility criteria as
23 defined by the eligible entity.

24 (5) FINANCIAL CAPABILITY TRAINING PLAT-
25 FORM.—The term “Financial Capability Training

1 Platform” means a program for use by a postsec-
2 ondary education match savings account program
3 carried out with a grant under section 5 that—

4 (A) delivers financial capability training to
5 participating students that is designed to help
6 students improve their financial capability and
7 overall financial well-being;

8 (B) includes an initial assessment to iden-
9 tify individual learning goals and objectives;

10 (C) creates a personal and dynamic learn-
11 ing experience for each individual participant,
12 including ongoing assessments and interim
13 milestones related to learning objectives and
14 longer-term goals; and

15 (D) includes modules on student loans, fi-
16 nancial aid, budgeting and credit, consumer
17 debt, housing costs, retirement, the importance
18 of emergency savings, banking (including check-
19 ing and savings accounts), credit use and inter-
20 est rates, predatory lending practices, privacy,
21 and security, which shall be conducted by or at
22 the direction of the eligible entity.

23 (6) POSTSECONDARY EDUCATION MATCH SAV-
24 INGS ACCOUNT.—The term “postsecondary edu-

1 cation match savings account” means an account
2 that is—

3 (A) a custodial account; or

4 (B) a 529 account.

5 (7) PROGRAM GUIDE.—The term “Program
6 Guide” means a guide that includes program policies
7 and procedures, a savings plan agreement template,
8 a withdrawal form template, recommended timelines,
9 other key forms, and the structure for implementing
10 and reporting program results for a postsecondary
11 education match savings account program carried
12 out with a grant under this section.

13 (8) REPORTING DASHBOARD.—The term “Re-
14 porting Dashboard” means a robust online data por-
15 tal for postsecondary education match savings ac-
16 count programs carried out with a grant under this
17 section that—

18 (A) allows eligible entities to monitor stu-
19 dent progress, track achievement, and measure
20 relevant behavioral change;

21 (B) standardizes and facilitates student
22 evaluation across participating eligible edu-
23 cational institutions; and

24 (C) is in compliance with the requirements
25 of section 444 of the General Education Provi-

1 sions Act (commonly known as the “Family
2 Educational Rights and Privacy Act of 1974”)
3 (20 U.S.C. 1232g).

4 (9) SECRETARY.—The term “Secretary” means
5 the Secretary of Education.

6 (10) STUDENT WITH PRELIMINARY ELIGI-
7 BILITY.—The term “student with preliminary eligi-
8 bility” means an individual who—

9 (A) is from a low-income family, as deter-
10 mined by an eligible entity;

11 (B) plans to attend an eligible educational
12 institution; and

13 (C) meets the requirements described in
14 subparagraphs (E) and (F) of paragraph (4).

15 (11) SUCCESS COACHING MODEL.—The term
16 “Success Coaching Model” includes—

17 (A) financial capability training to address
18 budgeting, managing student debt, savings,
19 debit management, credit cards, retirement
20 readiness, and credit reports;

21 (B) postsecondary education readiness
22 training that provides mentoring to help stu-
23 dents be better prepared for the challenges of
24 postsecondary education; and

1 (C) workforce readiness training to learn
2 interviewing, resume skills, and career explo-
3 ration.

4 **SEC. 5. POSTSECONDARY EDUCATION MATCH SAVINGS AC-**
5 **COUNT DEMONSTRATION GRANT PROGRAM.**

6 (a) GRANT ESTABLISHED.—

7 (1) IN GENERAL.—Not later than 9 months
8 after the date of enactment of this Act, the Sec-
9 retary shall establish a postsecondary education
10 match savings account demonstration grant program
11 described in this section, through which the Sec-
12 retary shall award grants, on a competitive basis, to
13 eligible entities to enable those eligible entities to
14 carry out the activities described in subsection (e).

15 (2) TOOLS FOR GRANTEES.—The Secretary
16 shall develop the Reporting Dashboard, Financial
17 Capability Training Platform, Program Guide, and
18 Success Coaching Model and make those tools avail-
19 able to grantees.

20 (3) PELL ELIGIBILITY NOT AFFECTED.—The
21 Secretary shall ensure that, notwithstanding any
22 other provision of law—

23 (A) participation in the grant program
24 shall not affect a student's eligibility for a Fed-

1 eral Pell Grant under section 401 of the Higher
2 Education Act of 1965 (20 U.S.C. 1070a); and

3 (B) funds deposited in a postsecondary
4 education match savings account by a partici-
5 pating student, as well as any matching funds
6 under this section, shall not be considered when
7 a determination is made about that student's
8 eligibility for Federal student aid under title IV
9 of the Higher Education Act of 1965 (20
10 U.S.C. 1070 et seq.), including for a Federal
11 Pell Grant.

12 (b) APPLICATION.—An eligible entity that desires to
13 participate in the grant program under this section shall
14 submit an application to the Secretary at such time, in
15 such manner, and containing such information as the Sec-
16 retary may determine, including, at a minimum—

17 (1) a demonstration of—

18 (A) a commitment of non-Federal match-
19 ing funds at a ratio of 1:1 (which non-Federal
20 funds may be provided by an entity other than
21 the eligible entity);

22 (B) the ability to launch and implement
23 the program; and

24 (C) a plan for compliance with evaluation
25 and program monitoring; and

1 (2) an assurance that the applicant will utilize
2 the Reporting Dashboard, Financial Capability
3 Training Platform, and Success Coaching Model de-
4 veloped by the Secretary under subsection (a)(2).

5 (c) SELECTION.—

6 (1) PRIORITY.—In selecting eligible entities to
7 participate in the grant program under this section,
8 the Secretary shall give priority to eligible entities
9 that—

10 (A) target eligible students and students
11 with preliminary eligibility at a statewide level
12 with networks of participating eligible edu-
13 cational institutions; and

14 (B) commit to supporting selected students
15 through the student's graduation from an eligi-
16 ble educational institution.

17 (2) DIVERSITY OF PROJECTS.—The Secretary
18 shall ensure, to the maximum extent practicable,
19 that the eligible entities awarded grants under this
20 section include eligible entities that represent a
21 range of communities (both rural and urban) and di-
22 verse populations.

23 (d) AMOUNT.—A grant awarded under this section
24 shall be in an amount not to exceed the lesser of—

1 (1) the aggregate amount of funds committed
2 as matching contributions from non-Federal public
3 or private sector sources; or

4 (2) \$10,000,000.

5 (e) USES OF FUNDS.—

6 (1) IN GENERAL.—An eligible entity receiving a
7 grant under this section shall use the grant funds
8 to—

9 (A) select eligible students, or students
10 with preliminary eligibility, in the State in
11 which the eligible entity is located to participate
12 in the grant program;

13 (B) provide selected students with financial
14 literacy education using the Success Coaching
15 Model;

16 (C) after ensuring that a selected eligible
17 student or selected student with preliminary eli-
18 gibility has completed an agreement regarding
19 the terms and conditions of the postsecondary
20 education match savings account, establish a
21 postsecondary education match savings account
22 for each participating eligible student or stu-
23 dent with preliminary eligibility and allow stu-
24 dents and their families to deposit funds in that

1 account to save for attendance at an eligible
2 educational institution; and

3 (D) reserve matching funds for partici-
4 pating students in accordance with paragraph
5 (2).

6 (2) MATCHING FUNDS.—

7 (A) IN GENERAL.—Upon a participating
8 student or student’s family depositing \$100 into
9 a postsecondary education match savings ac-
10 count for the appropriate academic year, the el-
11 igible entity shall provide a match of \$8 into
12 the student’s postsecondary education match
13 savings account for each subsequent dollar de-
14 posited by the student or student’s family.

15 (B) WITHDRAWAL FROM SCHOOL.—If a
16 participating student withdraws from an eligible
17 educational institution during the drop-add pe-
18 riod at that eligible educational institution, the
19 student shall be responsible for any amounts
20 owed for that academic period and will not re-
21 ceive matching funds for that academic period.

22 (C) DELAY OF ATTENDANCE; EXTENU-
23 ATING CIRCUMSTANCES.—Subject to paragraph
24 (3), each eligible entity shall describe in the
25 agreement under paragraph (1)(C) the eligible

1 entity's policy regarding the availability of
2 matching funds in the event a student decides
3 to delay attendance at an eligible educational
4 institution or in the case of extenuating cir-
5 cumstances, such as illness of a student.

6 (3) RETURN OF DEPOSITED FUNDS.—

7 (A) IN GENERAL.—Each eligible entity
8 shall ensure that a participating eligible stu-
9 dent, or a student with preliminary eligibility,
10 who does not meet or maintain the require-
11 ments of paragraph (4) or (10) of section 4, re-
12 spectively, shall be entitled to withdraw funds
13 that the student or the student's family contrib-
14 uted to the postsecondary education match sav-
15 ings account in accordance with the terms and
16 conditions that are contained in the agreement
17 for that postsecondary education match savings
18 account, as described in paragraph (1)(C).

19 (B) EXPIRATION.—

20 (i) IN GENERAL.—The participation
21 of an eligible student or student with pre-
22 liminary eligibility in the postsecondary
23 education match savings account dem-
24 onstration grant program shall terminate
25 on the expiration date described in clause

1 (ii). The eligible entity shall cease reserv-
2 ing matching funds on behalf of that stu-
3 dent as described in paragraph (1)(D).
4 Any remaining funds that the student or
5 the student's family deposited in a postsec-
6 ondary education match savings account
7 shall be made available for withdrawal in
8 accordance with subparagraph (A).

9 (ii) EXPIRATION DATE.—The expira-
10 tion date described in this clause is—

11 (I) the date that is 8 years after
12 the date on which a participating eli-
13 gible student first enrolled in an eligi-
14 ble educational institution; or

15 (II) in the case of a student with
16 preliminary eligibility, or a partici-
17 pating eligible student who does not
18 enroll in an eligible educational insti-
19 tution, the date that is 4 years after
20 the date on which the student first
21 agrees to participate in the postsec-
22 ondary education match savings ac-
23 count demonstration grant program.

24 (4) MANAGEMENT COSTS.—An eligible entity
25 receiving a grant under this section may use not

1 more than 5 percent of grant funds for management
2 costs, which may include nonadministrative and ad-
3 ministrative functions, including program manage-
4 ment, reporting requirements, recruitment and en-
5 rollment of individuals, and monitoring.

6 (f) DATA SHARING.—An eligible entity receiving a
7 grant under this section shall enter into a data sharing
8 agreement with eligible educational institutions in order
9 to exchange data necessary to carry out the activities de-
10 scribed in this section. Such data sharing shall be carried
11 out in a manner that complies with the requirements of
12 section 444 of the General Education Provisions Act (com-
13 monly known as the “Family Educational Rights and Pri-
14 vacy Act of 1974”) (20 U.S.C. 1232g).

15 (g) ANNUAL PROGRESS REPORTS.—Each eligible en-
16 tity receiving a grant under this section shall prepare and
17 submit to the Secretary an annual progress report con-
18 taining the following information, in the aggregate and in
19 a manner that protects personally identifiable information
20 in accordance with Federal privacy laws:

21 (1) The number and characteristics of partici-
22 pating students making a deposit into a postsec-
23 ondary education match savings account supported
24 under this section.

1 (2) Data on program goals and achievements
2 including enrollment rates, first-year retention rates,
3 program completion, average Federal student loan
4 debt, and share of participating eligible students
5 borrowing Federal student loans.

6 (3) The amount that the eligible entity has re-
7 served in accordance with subsection (e)(1)(D).

8 (4) The aggregate amounts deposited in post-
9 secondary education match savings accounts by par-
10 ticipating students and their families.

11 (5) What service configurations of the eligible
12 entity (such as configurations relating to peer sup-
13 port, structured planning exercises, mentoring, and
14 case management) increased the rate and consist-
15 ency of participation in the demonstration project
16 and how such configurations varied among different
17 populations or communities.

18 (6) Such other information as the Secretary
19 may require to evaluate the demonstration project.

20 (h) REPORT TO CONGRESS.—Not later than 1 year
21 after the establishment of the demonstration project under
22 this section, the Secretary shall prepare and submit to
23 Congress a report containing the following information:

1 (1) The effects of incentives and organizational
2 or institutional support on postsecondary retention
3 in the demonstration project.

4 (2) The savings rates of individuals in the dem-
5 onstration project, in the aggregate and
6 disaggregated by demographic characteristics includ-
7 ing gender, age, family size, race or ethnic back-
8 ground, and income.

9 (3) The effects of postsecondary education
10 match savings accounts on savings rates and post-
11 secondary education retention and completion, and
12 how such effects vary among different populations or
13 communities.

14 (4) The lessons to be learned from the dem-
15 onstration projects conducted under this section and
16 whether a permanent postsecondary education sav-
17 ings grant program should be established.

18 (5) The characteristics of postsecondary edu-
19 cation match savings accounts (such as threshold
20 amounts and match rates) required to stimulate par-
21 ticipation in the demonstration project, and how
22 such characteristics vary among different popu-
23 lations or communities.

24 (6) Such other factors as may be prescribed by
25 the Secretary.

1 (i) **TECHNICAL ASSISTANCE.**—The Secretary may re-
2 serve not more than 10 percent of the amounts appro-
3 priated under section 6 to provide technical assistance to
4 eligible entities receiving grants under this section.

5 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

6 There are authorized to be appropriated to carry out
7 this Act \$100,000,000 for fiscal year 2024 and each of
8 the succeeding 4 years.